
OLR Bill Analysis

sHB 5581

AN ACT CONCERNING SEWER ASSESSMENT APPEALS AND THE APPROVAL OF CERTAIN PROPERTY TAX EXEMPTIONS.

SUMMARY:

This bill allows municipalities to adopt an ordinance authorizing their boards of assessment appeals to hear appeals of municipal sewer system benefit assessments (i.e., sewer charges not related to a customer's usage). Under current law, anyone contesting a sewer benefit assessment must appeal directly to the Superior Court.

The bill requires owners claiming the property tax exemption for manufacturing or biotechnology machinery and equipment (MME) to annually file a request for the exemption by November 1. Current law for other machinery and equipment-related tax exemptions allows for filing deadline extensions and retroactive exemption approval. The bill extends these provisions to include the MME exemption. It also allows the board of selectman to grant retroactive exemptions if the local legislative body is a town meeting.

EFFECTIVE DATE: October 1, 2014. The MME exemption filing requirement is applicable to assessment years starting on or after October 1, 2014.

SEWER BENEFIT ASSESSMENT APPEALS

The bill allows municipalities to adopt ordinances authorizing their boards of assessment appeals to hear benefit assessment appeals related to a municipal sewer system. An appeal to the board must be made within 21 days after the assessment is filed in the town clerk's office. The ordinance must specify the process for filing, hearing, and deciding an appeal. Within 21 days after the board renders its decision, an aggrieved party may appeal the board's decision to the Superior Court under the same process the court must otherwise use

for these appeals.

In municipalities that do not adopt such an ordinance, anyone aggrieved by a sewer benefit assessment must appeal to the Superior Court, as under current law.

CLAIMING THE MME EXEMPTION

The bill requires owners claiming the MME exemption to apply to local assessors, on a form they prescribe, by November 1 annually.

Filing Extension

For certain other machinery and equipment-related tax exemptions with November 1 application deadlines, the law allows an assessor or board of assessors to extend the deadline to December 15, if an applicant requests it and pays a late fee. The bill extends this provision to also allow extensions for MME exemptions. Unless waived, the late fee is as follows:

<i>Assessed Value of Property</i>	<i>Fee</i>
\$100,000 or less	\$50
\$100,001 - \$249,999	\$150
\$250,000 - \$499,999	\$250
\$500,000 or more	\$500

Retroactive Exemption

The bill also extends to the MME exemption a law allowing a municipality, by vote of its legislative body, to grant certain retroactive machinery and equipment-related exemptions to an applicant who misses both the regular and extended filing deadlines. As is the case for these other exemptions, a municipality may set criteria for granting a retroactive MME exemption, including consideration of (1) a hardship that may account for the applicant's failure to meet the deadlines and (2) whether the exemption provides a net benefit to the municipality's economic development.

The bill additionally specifies that if the legislative body is a town meeting, the board of selectman can grant the retroactive exemption. This provision is applicable to MME exemptions and exemptions for:

1. manufacturing or service facilities in distressed municipalities, targeted investment communities, enterprise zones, or airport development zones (CGS § 12-81(59));
2. machinery and equipment in such facilities (CGS § 12-81(60));
3. machinery and equipment used to upgrade a manufacturing process (CGS § 12-81(70));
4. machinery and equipment used in manufacturing, recycling, and biotechnology facilities (CGS § 12-81(72)); and
5. large commercial trucks (CGS § 12-81(74)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/25/2014)